

Michigan and the US Nuclear Regulatory Commission
Agreement State Program

A Meeting with Licensees and other Stakeholders
March 2, 2007

MEETING SUMMARY

A meeting was held on Friday, March 2, 2007 for the purpose of discussing with major stakeholders a strategy developed by the Departments of Environmental Quality (DEQ) and Community Health (DCH) to consolidate radiation protection programs and to pursue an Agreement with the U.S. Nuclear Regulatory Commission (NRC). Under the terms of such an Agreement, the NRC would transfer certain regulatory authority to the State of Michigan.

Speakers from DEQ and DCH provided historical perspective on the issue, and recent efforts to evaluate the prospect of becoming an Agreement State. Those efforts included the formation of an advisory committee that met three times in 2005. The passage of the federal Energy Policy Act of 2005 adds some urgency to determining whether Michigan will seek an Agreement. Because of provisions within that Act that affect regulatory authorities of the states and the NRC, the Chairman of the NRC wrote to all non-Agreement States last fall asking whether those states would consider becoming an Agreement State. In her response, Governor Granholm directed DEQ and DCH to develop a strategy for consolidating radiation protection within DCH and pursuing an Agreement. She directed the departments to consult with licensees and stakeholders on that strategy. She committed to a decision on whether Michigan will pursue an Agreement by early 2007. This meeting was part of that consultation process.

There are currently 34 Agreement States, with three others formally pursuing Agreements. It was pointed out that Michigan will soon be the largest non-Agreement State, with about 30% of the total remaining licensees in non-Agreement States.

The findings of a survey of Agreement State programs conducted by the stakeholder advisory group that met through 2005 were discussed. Though not universal, licensees in Agreement States often cited the following advantages to an Agreement:

- State regulatory agencies were often more accessible and responsive to licensees;
- Regulatory authority was centered in one agency, rather than two or three, including both state and federal agencies;
- Annual fees charged by Agreement States were often substantially lower than comparable fees charged by NRC.

State regulatory agency staff cited the following advantages to the state:

- The more comprehensive radiation program under an Agreement offers greater capability to deal with the full range of radiation issues, incidents, and threats;
- Individual programs, such as the Radiological Emergency Preparedness Program, are strengthened;
- Fees remain in the state.

If stakeholders support the proposal, the DEQ and DCH are committed to the strategy of program consolidation and pursuing the Agreement. Stakeholder support will be essential to implementing statutory and rules changes that will be required to effect an Agreement.

The key elements of the strategy were described as follows:

Timeline –

An aggressive timeline would be followed, with the goal of signing an Agreement by September, 2011. Key initial milestones include a “Letter of Intent” (a formal commitment to seek an Agreement) from the Governor in May, 2007, followed by introduction of needed legislation.

Staffing –

Currently, the DEQ’s Radioactive Materials Program consists of 3.5 FTEs. Based on recommendations of the Council of Radiation Control Program Directors and the experience of other state programs, an additional ten FTEs (eight technical, two clerical) would need to be established and filled over the next four years. Program staff would be responsible for all phases of the regulatory program: licensing, inspections, enforcement, decommissioning, and incident response.

Program Financing –

Agreement State programs are often less costly than that of NRC, resulting in reduced annual fees on licensees. The annual fees assessed by four neighboring Agreement States for two license categories were compared with the annual fee assessed by NRC. Based on proposed staffing levels, we estimate that Michigan’s fees on licensees would be about 35% below FY 2007 NRC fees if Michigan was an Agreement State now.

Program Start-up Financing –

The NRC provides no funding for a state to develop the comprehensive program needed to become an Agreement State. Following the lead of a few other states that have recently become Agreement States, the strategy includes a four-year interim fee on NRC licensees and NARM users to provide the necessary program development funds. The interim fee would be pegged at 39% of a licensee’s FY 2007 NRC license fee and would remain the same for the four years. A table was distributed that showed the interim fee for each NRC license category.

Financial Summary –

Assuming comparable cost increases for both the State and the NRC, State fees upon becoming an Agreement State are estimated to be 32-35% below comparable NRC fees. Despite the reduction in many NRC fees in 2007, there is little doubt that NRC fees will continue to grow as additional states become Agreement States. Given the reduced fees under an Agreement, most licensees would recoup the cost of interim fees in less than four years.

Training –

Licensees are pleased with the competency and professionalism of the NRC. They expressed concern about whether Michigan will have a competent licensing and inspection program. We intend to hire health physicists for the technical positions. Training of new and existing must be done quickly, but fully. Mechanisms for providing training were discussed, including shadowing NRC staff, using NRC training courses,

visiting other Agreement States, and working with licensees to identify opportunities to assist in staff training.

NRC Perspective –

A representative from NRC-Region III provided an overview of the Agreement State program, and how NRC would work closely with the State of Michigan if the decision is made to formally pursue an Agreement. She stressed that the NRC continues to be involved with a state program even after an Agreement is signed, through formal program evaluations, and providing technical assistance and expertise to the state for unique challenges or problems for which the state may not have expertise. She acknowledged the likelihood of NRC fee increases, as additional states become Agreement States.

Questions and Discussion –

Stakeholders raised a number of questions and concerns. See attached summary of key questions and issues.

Wrap-up –

Through a show of hands, stakeholders were asked to indicate whether they supported the Agreement State plan. No one indicated clear opposition to the plan. About 9 or 10 indicated support for moving forward. The remainder were viewed as undecided. The responses to the support question included on the sign-in sheets were as follows:

- Yes, proceed 9
- Unsure 11
- Unsure/No 1
- No response 2

Attendees were encouraged to be involved in an advisory committee that would assist the Departments through the next steps.